**SECTION A**

*You must answer* ***two*** *questions from this section.*

1. (a)(i) RDB manufacture standard-sized ball bearings in a flow production process *(line 63)*. Define flow production. *[2 marks]*

(ii) Define market share *(line 24)*. *[2 marks]*

(c) Throughout the twentieth century, RDB expanded by internal/organic growth *(line 13).* Explain **two** advantages of this method of growth. *[4 marks]*

(d) Analyse Anna’s idea that RDB should focus on its corporate social responsibility *(line 88).*  *[7 marks]*

1. (a) Outline **two** possible reasons why gross and net profit margins were lower than previously *(line 38).*

*[4 marks]*

(b) Explain two economies of scale that RDB may have benefitted from *(line 16)*. *[4 marks]*

(c) Analyse the reasons why Japanese firms moved to just-in-time production *(line 26).* *[7 marks]*

1. (a) Define secondary research *(line 115).* *[2 marks]*

(b) Define working capital cycle *(line 83).* *[2 marks]*

(c) Outline two advantages of forming a strategic alliance with ball bearing companies in Brazil, China and India. *(line 155)* *[4 marks]*

(d) Analyse whether RDB should change from a traditional quality control system to total quality management (TQM). *[7 marks]*

**SECTION B**

*Answer the* ***compulsory*** *question from this section.*

1. (a) Explain two methods of primary research that RDB could use *(line 115).* *[4 marks]*

(b) Distinguish, with examples, between strategic and tactical objectives *(line 151).*  *[4 marks]*

(c) Outline two advantages of RDB having a strong brand. [4 marks]

(d) Evaluate whether RDB should become a public limited company (PLC) *(line 123).* *[8 marks]*